

SEC Charges Former LPL Broker and Convict Friend for Selling Unregistered Securities

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The Securities and Exchange Commission has charged Thomas Conwell and his childhood friend and former LPL broker, Kerry Hoffman, for fraudulently selling securities to retail investors. Conwell was previously charged by the SEC and convicted for stealing money from investors.

The SEC alleges that between July 2015 and July 2018, Conwell and Hoffman raised more than \$3.3 million from 46 investors through the sale of unregistered GT Media Inc. securities.



[According to the complaint](#), Conwell made numerous false representations to investors, including that two Fortune 500 companies were seeking to acquire GT Media and that GT Media would soon conduct an initial public offering. Conwell is also accused of misappropriating \$161,500 from investors, which he allegedly used to pay his personal expenses.

Hoffman spent eight years at LPL Financial until September 2018 when he voluntarily resigned after allegations arose that he agreed to act as a consultant to a company without disclosing or obtaining prior approval from LPL.

The complaint alleges that he solicited certain of his advisory clients to invest in GT Media securities without disclosing his financial conflicts of interest, including his compensation from GT Media and his short-term loans to GT Media that were repaid using investor funds.

Conwell was previously enjoined by the SEC and criminally convicted in January 2006 for stealing money from investors and was sentenced to 48 months in prison after pleading guilty to charges of wire fraud, bank fraud and obstructing an SEC investigation.

The SEC's complaint, filed in federal district court in Chicago, charges Conwell and Hoffman with violating the antifraud provisions of federal securities laws, among other charges. The SEC seeks permanent injunctions and monetary relief. The SEC instituted a settled cease-and-desist proceeding against GT Media.

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